

## THE FINANCIAL SITUATION.

The financial situation at large has actually changed very little during the past fortnight. Stock market conditions, however, during the past week showed a most decided change. In the place of the indescribable enthusiasm, which prevailed during the month of July, there was evident a general feeling that discretion was the better part of valor, and that it was not the part of wisdom to attempt, in a week or month, to discount the unquestioned, unimpaired, and still promising strong financial outlook. The less disorderly proceedings in the stock market seemed to follow the suppression of activity on the part of the so-called western contingent, to whose operations, duly occurring, were mainly owing. In fact, the enterie in question, so far from attempting to carry on an aggressive and artificial manipulation of the stock side, have been large and open sellers of stocks. In consequence, the market had to take care of itself, as is the verbiage of Wall Street. It may be said that the results have been surprising and perhaps an unexpected demonstration of strength. It is true, to be sure, that for the first time in month or more, the week's transactions have resulted in lowering the average level of prices, but in view of the reversal of the manipulative machinery, the results have been surprisingly small. So great has become the prestige of the "Chicago Crowd" this summer that it might have been inferred that the cessation of their activities would have been succeeded by something approaching a stamp in the stock market on the contrary, there have ensued only a moderate reduction in prices and a very fair dealing in speculative activity. The point cannot be emphasized too strongly that Wall Street is always prone to make the mere spectacle of advancing prices a genuine market stability, whereas, as a matter of fact, they may not always be logically so identified.

Blessing for the time stock market dealings of themselves, and taking into consideration the various fundamental features of the outside situation, it will be observed that the anthracite strike conditions are not definitely altered, that the monetary situation in general remains dubious and that agricultural conditions have made further progress toward a satisfactory harvesting. The weather in the grain belt has, on the whole, been favorable of late, and it is unnecessary to say that the passage of each week brings us nearer to the point of absolute safety in this important regard.

When it is said that the strike of the anthracite coal miners has continued with no definite evidences of a settlement of the troubles in that direction, the reservation should be made that negative symptoms are developing, which ordinarily foreshadow the beginning of the end. In short, outbursts of turbulence among the strikers have heretofore indicated that they were losing confidence in the success of their cause, and such resorts to desperate measures have, upon former similar occasions, pointed to an early settlement. Now that the Pennsylvania State authorities have finally seen fit to send a force of militia into the anthracite regions for the purpose of protecting life and property, the mine owners may become emboldened to exercise their lawful right to operate their properties and to endeavor to realize therefrom the profits inherently belonging to them. What pertains the end of the strike more clearly than any other phase of the situation may be found in the now evident and pronounced disgust of the majority of the operatives at the position into which they were forced by their leaders. It is plain that they will require but very little stimulus and encouragement to recede from their militant attitude and to seek reemployment. At all events, the indications at large seem to point to an early removal of this grave and costly drawback to national prosperity, from the prominent part in financial consideration it has occupied for so long a time.

The monetary situation, although naturally affected by the week's heavy gold shipments, and further by the prospective interior demand for currency for crop movement purposes, has actually altered very little in regard to the rates for accommodation. Money has been freely available on call at and under \$1 per cent all the week. On the other hand, borrowers for long periods have been forced to pay fairly high rates and have had to provide collateral of unquestionable character. In its relation to the current monetary situation Saturday's bank statement proved to be a rather surprising document in several respects. The statement showed none of the expected effects of the stock market liquidation of the earlier part of the week, and in fact the bank account showed the surprising increase of over \$6,000,000. On the other hand, notwithstanding the week's gold shipments of nearly \$5,000,000, the banks' actual cash holdings decreased only \$300,000. In comparison with the banks' position at this time last year, although this exposition of the case must be modified by the misleading nature of the returns as compiled on the average system, it may be noted that the banks are now lending over \$100,000 more than they were at this period last year, while their deposit account shows an increase of only a little over \$1,000,000 in the same time. Furthermore, the holdings of actual cash are \$500,000 less than they were the corresponding week of 1901. In consequence, their surplus reserves on Saturday appeared to be only \$14,000,000, as against over \$20,000,000 at the beginning of August last year.

It is unnecessary to say that the more conservative proceedings in the stock market last week were not only desirable in view of the dubious outlook in the money market, but they make it possible to regard the subsequent developments therewith less concern. Such inordinate advances as have taken place in the market in the month of July were having the natural and indeed inevitable effect of forcing securities out of the strong boxes of investors into the hands of the excited and avaricious buyer on margin. Nothing tends more strongly to create a weak market situation than such a process. In fact, the opposite although correlative side of the picture is a panic, so styled when the holder of securities on margin forced to accept the cash offers of the buyers for investment. Now that the threatening speculative excesses of the summer have been checked, it is gratifying to note that the financial outlook in general still makes for actual stability in the market even if it is far from warranting what Wall Street fondly designates as speculative buoyancy. The latest returns of the mercantile agencies, as well as the compilations of the financial journals, and finally the statements of railway traffic, all go to show that the industry of the country at large is not only being firmly maintained on the high levels of the year, but is expanding further. The losses incident to the strike of the anthracite miners, while severe, are localized, and in fact it is a subject at least open to question as to what extent the original producers and sellers of anthracite coal are sufferers from the existing situation. It is palpably true that anthracite coal is

available to buyers at a price, and that it is being used, even if in diminished volume. In regard to the position of the anthracite coal operators, it is well also to bear in mind the fact that precedents show clearly that the high prices for coal growing out of such a strike as that of this summer are maintained for a long time after the mines are in full operation again.

The week has witnessed a number of important events concerning particular railway and other properties in various directions. The Rock Island's capital readjustment scheme has been finally announced, and notwithstanding its fearful and wonderful workmanship, the financial community is generally disposed to believe that it has been indulging in unwarranted apprehension as to the likelihood of the ability of the promoters of the plan to carry it into effect. It has been correctly said in relation to the Rock Island scheme that it simply furnishes an illustration of the power of the sole owners of a property to do with it as they please, and if the owners of Rock Island choose to reissue the share capital of the concern in the form announced that is a subject of concern chiefly to themselves. The property will earn not a dollar more nor a dollar less in consequence, and the equities of the new securities will find due market valuation. The purchase of the Chicago and Eastern Illinois by the St. Louis and San Francisco Railroad marks further progress in the plans of the ambitious and aggressive St. Louis capitalists controlling the Frisco property. In another direction the final organization of the United States Realty concern has been completed, and while this particular form of enterprise has long since passed out of the experimental stage, it is still true that investors have offered to them a somewhat novel means of employing their resources. Persons of moderate capital now have the opportunity of participating in the development of New York real property which has long been a field available only to individuals of great wealth. The virtual rebuilding of this borough, now so strikingly in progress, is a spectacle available to every one passing through the city's streets and avenues. Not indeed since the organization of the United States Steel Corporation, with which the United States Realty Company is closely associated, has there been presented for consideration a more interesting and important development in the industrial and financial field.

W. N. S.

FINANCIAL AND COMMERCIAL.

UNITED STATES AND STATE BONDS (IN 1000\$).

**Sales.** Name Open High Low Clsr. Sales. Name Open High Low Clsr.

100 U.S. 10s... 1075 1078 1075 1074

100 U.S. 3%e... 1074 1075 1075 1074

RAILROAD AND OTHER SHARES.

**Sales.** Name Open High Low Clsr.

1105 Adam Etch... 603 684 656 674

382 Am Chem... 324 324 29 292

800 Am Cpt... 88 91 88 91

3200 Am Electr... 63 73 63 73

3600 Am Ind... 184 204 184 204

175 Am Car & F... 324 324 318 324

400 Am Cons... 513 513 513 513

400 American Ex... 234 215 234 235

135 Am Irwin... 58 68 68 68

1100 Am Ice... 11 11 104 104

6 Am Impf... 35 36 35 35

180 Am Ins... 324 324 314 314

2100 Am Ins... 93 93 93 93

1010 Am Smith... 67 68 67 68

1010 Am Smith... 121 121 121 121

42 Am Smth... 99 99 99 99

1000 Am St... 113 113 113 113

1000 Am St... 113 113 113 113